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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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FAY SHARPE LLP 1100 SUPERIOR AVENUE, SEVENTH FLOOR CLEVELAND, OH 44114			EXAMINER SORKOWITZ, DANIEL M	
			ART UNIT 3622	PAPER NUMBER
			MAIL DATE 10/03/2008	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/743,520

Applicant(s)

CALABRIA ET AL.

Examiner

DANIEL M. SORKOWITZ

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 June 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-53 and 55-59 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-53 and 55-59 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-8508)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

Notice to Applicant

The following is a final office action on the merits for Application 10/743520 in response to papers filed on 6/20/2008. Claims 1-53 and 55-59 have been examined. Claim 54 has been canceled by Applicant. Claims 58-59 have been added by Applicant.

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

- 1. Claim 55 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.**

Regarding claims 55, this claim recites the limitation "ROAI is calculated tabulating the sales data generated by sales made on the advertiser's website when the site was reached using a keyword and subtracting the cost of obtaining the use of a key word, then comparing this value with historical purchase data from use of the same keyword in order to determine a value of the keyword". There is no support in the specification for subtracting the cost of obtaining the keyword.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

- 2. Claim 59 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Regarding claim 59, this claim recites the limitation "the method of claim 1, wherein the method incorporates competitive assessment...". It is unclear where this step should be performed within the method of Claim 1, which consists of nine steps a-i. It is also unclear how the method steps of claim 1 would be changed by adding this limiting step. Why is this information gathered? Is the information from the competitor's website supposed to be used in some way?" Since it is unclear as to what

applicant is intending to claim, the claim itself becomes indefinite. For the purposes of applying prior art, the Examiner will interpret this language to read "the method of claim 1, wherein step i) incorporates competitive assessment to suggest keywords used in a competitor's web site..."

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claim 1-53 and 55-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Number 7,035,812 to Meisel et al. (hereinafter "Meisel ") in view of US patent number 6,925,442 Shapira et al. (hereinafter "Shapira ")**

Regarding claims 1, 31, 40, 42-43, 45-53 and 55-57, Meisel discloses receiving at least one candidate advertisement from the advertiser in response to a search query (figure 7, column 9 lines 5-65 and column 24 lines 4-11, to be associated with a bid later in step g and h); performing a

search query (figure 7, column 9 lines 5-67 and column 24 lines 4-11, also referred to as receiving information from a keyword search engine, also referred to as the account management server which receives information for advertising aggregators and bidding service providers); a search results list generated in response to a search query (figure 7, column 24 lines 38-48 also referred to as list of candidate publisher web pages having one or more auctioned advertisement position: the listings returned show up because they have been bought at auction see figure 7, each keyword becomes a link and advertisement for the company and competitors, as a link to a company's URL is an advertisement for that company); creating a list of candidate keywords associated with the at least one candidate advertisement (col.10 30-33), based on the results of search query (figure 7, column 6 lines 29-38, column 10 lines 24-33, column 24 lines 4-52, column 29 lines 1-5); estimating a click-through rate for each advertisement-keyword pair from the at least one candidate advertisement and candidate keywords (col. 16 line 8-15); calculating a recommended bid amount for each advertisement-keyword pair (col.26 lines 59-63 also referred to as advertisement web page pair, a keyword being both a the link to that web page, and an advertisement for that web page, see figure 7 , 760b); placing a bid during the bidding process (figure 8, 820-830 column 5 lines 25-33)(calculating and placing a bid together is an act of receiving a bid, but Meisel also discloses receiving a

bid at column 15 lines 13-39); and suggesting an alternative keyword to the candidate keyword for a bidder who does not win or drops out of the bidding process on the candidate keyword (figure 2, 170, column 10 lines 20-33 Meisel teaches suggesting alternative keywords to all bidders which includes both losing and winning bidders). Meisel does not explicitly disclose calculating a return on advertising investment (ROAI) for each advertisement-keyword pair and gathering and using sales and visitor data, historical purchase data, historical keyword data and user information, through, the advertiser's website. Shapira teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43) by gathering and using sales and visitor data, historical purchase data, historical keyword data and user information, through, the advertiser's website (column 2 lines 39-43, column 10 lines 1-15, table 8 and 9 Shapira's value of visitor sessions are historical sales, the number of visitors are visitor data, and the keyword data are ad campaign data). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to calculate a return on advertising investment (ROAI) for each advertisement-keyword pair and advertisement web page pair and gathering and using sales and visitor data, historical purchase data, historical keyword data and user information, through, the advertiser's website. Shapira teaches that using Return on Advertising Investment

from historical sales and visitor data helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

Regarding claim 2, it would be obvious to one of ordinary skill in the art that the method could be performed repeatedly.

Regarding claim 3, Meisel discloses a list of candidate keywords is provided by the advertiser (col. 10 lines 20-25).

Regarding claim 4, Meisel discloses the list of candidate keywords is automatically generated at least in part from at least one keyword provided by the advertiser (col. 27 lines 52-58).

Regarding claim 5, Meisel discloses the list of candidate keywords is automatically generated at least in part from content in an advertiser web site. (col. 27 lines 52-58).

Regarding claim 6, Meisel discloses the list of candidate keywords is automatically generated at least in part from content of the at least one candidate advertisement (col. 10 lines 25-33).

Regarding claims 7, 32 and 44, Meisel discloses the list of candidate keywords, and advertisements are automatically generated at least in part from one or more of at least one keyword provided by the advertiser, content in an advertiser web site, and content of the at least one candidate advertisement (col. 27 lines 52-58).

Regarding claim 8, Meisel discloses the click-through rate for each advertisement-keyword pair is estimated by placing the advertisement in the search results list on a trial basis (referred to as a specified period of time (col. 16 lines 10-15)).

Regarding claim 9, Meisel discloses the click-through rate for each advertisement-keyword pair is estimated using an algorithm to estimate the relevance of advertisement content to the keyword for the advertisement-keyword pair (referred to as certain measures of relevance (col. 15 lines 54-59) and col. 17 lines 59-66)).

Regarding claim 10, Meisel discloses the estimated click-through rate for each advertisement-keyword pair is continuously revised based on actual search queries, search results lists, and click-throughs corresponding to the advertisement-keyword pair (referred to as a continuous function (col. 17 line 43-44)).

Regarding claims 11, 33, and 41, Meisel discloses tracking the advertisement-keyword pair at the time a user clicks on the corresponding advertisement in the search results list (col. 28 lines 64-68 also referred to as an advertisement- web page pair). Meisel does not explicitly disclose associating the tracked revenue events and revenue amounts. Shapira discloses tracking revenue events and revenue amounts (Table 1, col. 10 5-15). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to associate the associated tracked advertisement-keyword pair clicks and advertisement- web page pair and tracked revenue events and revenue amounts. Shapira teaches that using tracking revenue (referred to as qualification level) helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

Regarding claim 12, Meisel discloses wherein tracking the advertisement-keyword pair is accomplished at least in part by using one or more of a tracking URL, a form, and a cookie (col. 7 lines 1-4). Shapira discloses tracking with web traffic using cookies (col.4 lines 59-60).

Regarding claim 13, Shapira discloses the revenue event includes at least one of a sale, a lead generation, and a form submission (referred to as a qualification level (fig.5 305, col. 6 lines 50-51).

Regarding claim 14, Shapira discloses the revenue event and corresponding revenue amount are stored in a database associated with the advertiser web site (Table 1 , col. 10 5-15).

Regarding claim 15, Shapira discloses the revenue event and corresponding revenue amount are stored in a service provider web site (col. 9 lines 18-20). The use of image bugs in place of web logs is old and well known in the art.

Regarding claim 16, Shapira discloses the revenue event and corresponding revenue amount is stored in a database associated with the advertiser web site (col.7 lines 52-54).

Regarding claims 17-18 and 34, Meisel discloses receiving the associated tracked advertisement-keyword pair clicks (col. 29 lines 27-32). Meisel does not explicitly disclose receiving tracked revenue events and revenue amounts. Shapira discloses receiving tracked revenue events and revenue amounts using web services (Table 1, col. 10 5-15).

Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to receive the associated tracked advertisement-keyword pair clicks and tracked revenue events and revenue amounts. Shapira teaches that using tracking revenue (referred to as qualification level) helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

Regarding claims 19 and 35, Meisel discloses considering the relevance of the advertiser web site to the advertisement-keyword combination (col. 7 lines 25-30).

Regarding claims 20 and 36, Shapira discloses considering an experience level (referred to as qualification level (col. 6 lines 35-40).

Regarding claim 21, Shapira discloses receiving ROAI from the advertiser (col. 9 lines 62-66).

Regarding claim 22, Meisel discloses various advertising effectiveness measurements to determine bid amounts, such as CTR (col. 17 line 17-20) and CPC (Col. 18 lines 2-5). Meisel not explicitly disclose calculating a return on advertising investment (ROAI) for the bid amount of and

advertisement-keyword pair. Shapira teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to calculate a return on advertising investment (ROAI) for each advertisement-keyword pair. Shapira teaches that using Return on Advertising Investment helps advertisers better analyze the effectiveness of the operator's advertising (col. 2 lines 20-23).

Regarding claims 23 and 37, Meisel discloses optimizing bids (col. 15, lines 65-68).

Regarding claims 24 and 38, Meisel discloses recommending an optimal set of bid combinations with respect to profitability for the advertiser creating a corresponding automatic insertion order for placing the advertisement-keyword combinations (fig. 26 lines 55-64).

Regarding claims 25 and 39, Meisel discloses storing bid combinations in a database (col., 13, lines 6-10).

Regarding claim 26, Meisel discloses that the advertiser constrains the set of bid combinations by at least one of an advertisement budget and a capacity budget (col. 20. lines 58-62).

Regarding claims 27 and 30, Meisel discloses the advertiser constraint is a maximum budget amount for a predetermined period of time (referred to as "running totals" (col. 23 lines 48-51)).

Regarding claim 28, Meisel discloses an advertiser constraint is a desired number of click-through for a predetermined period of time (fig. 9, col. 26 lines 55-62).

Regarding claim 29, Meisel discloses an advertiser constraint can be an action event, an activity based on actions at an advertiser's web site (col. 26 lines 55-60). Meisel not explicitly disclose the advertiser constraint is at least one of a multiplier of ROI and a desired profit margin with respect to ROI. Shapira teaches a way to calculate and use return on investment for each advertising campaign (col. 2 lines 40-43). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Meisel with the teachings of Shapira to constrain the advertiser by a multiple of return on advertising investment (ROI) Shapira teaches that using Return on Advertising

Investment helps advertisers choose the most profitable advertising (col. 2 lines 20-23).

Regarding claim 58, Meisel discloses the bid value needed to become the highest ranked search listing (column 25 lines 62-66 which is an example of aggressive bidding).

4. **Claim 59 is rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Number 7,035,812 to Meisel et al. (hereinafter "Meisel ") in view of US patent number 6,925,442 Shapira et al. (hereinafter "Shapira ") in further view of US Patent Number 7,225,182 to Paine et al. (hereinafter "Paine ")**

Regarding claim 59, Meisel does not explicitly disclose competitive assessment. Paine clearly discloses receiving competitive information from a competitor web site for a competitive assessment (col.3 lines 56-63). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teachings of Meisel and Shapira with Paine to receive information from a competitor web site for competitive assessments, in order to gain a competitive advantage.

Response to Arguments

This rejection has been amended to reflect the changes to the claim language and addresses any arguments submitted by the applicant. Therefore, the Examiner maintains the rejection to the Applicant's claims.

Applicant argues "Shapira teaches a different way of calculation ROAI... and does not include historical sales and visitor data".. and "Shapira teaches ROAI for an entire advertising campaign, not a single keyword. The examiner respectfully disagrees. The cited reference from Shapira (column 9, line 62 to column 10 line 15) teaches calculating ROAI using historical sales and visitor data. Shapira's value of visitor sessions are historical sales, the number of visitors are visitor data, and the keyword data are ad campaign data. Shapira's ROAI method also applies to a single advertisement or keyword, as described in the abstract of the invention.

Applicant argues that there is no motivation to combine the teachings of Meisel with Shapira's teachings on ROAI. The Examiner disagrees. The motivation is clearly to improve advertising effectiveness, and Shapira method of calculation and use of ROAI would help the users of Meisel's system select cost effective keywords, advertisements, web pages, and search listing rankings. Further, *KSR* forecloses the argument that a specific teaching is required for a finding of obviousness (citing *KSR*, 127

S.Ct. at 1741, 82 USPQ2d at 1396). See Board decision *Ex parte Smith*, -- USPQ2d--, slip op. at 20, (Bd. Pat. App. & Interf. June 25, 2007).

Further, in many situations there is neither a motivation or evident lack of motivation to make a modification articulated in cited references. Numerous scenarios typically find the prior art reference disclosing aspects of claimed subject matter, but fail to specifically point the way toward the combination to arrive at Applicant's invention. A judgment must be made whether a person of ordinary skill in the art would have had sufficient motivation to combine individual elements forming the claimed invention, as in this particular situation. In *re Clinton*, 527 F.2d 1226, 1228, 188 USPQ 365, 367 (CCPA 1976). Further, a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. In *re Leonard R. Kahn* (CAFC, 04-1616, 3/22/2006). Further, "It must be presumed that the artisan knows something about the art apart from what the references disclose. In *re Jacoby*, 309 F.2d 513, 135 USPQ 317 (CCPA 1962). The problem cannot be approached on the basis that artisans would only know

what they read in references; such artisans must be presumed to know something about the art apart from what the references disclose. In re Jacoby. Also, the conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint of suggestion a particular reference. In re Bozek, 416 F.2d 1385, USPQ 545 (CCPA 1969). And, every reference relies to some extent on knowledge or persons skilled in the art to complement that which is disclosed therein. In re Bode, 550 F.2d 656, USPQ 12 (CCPA 1977)."

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee

pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL M. SORKOWITZ whose telephone number is (571)270-5206. The examiner can normally be reached on Monday through Friday from 8:30AM-4:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from

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/D.M.S./
Examiner, Art Unit 3622

/M. B./
Examiner, Art Unit 3622

/Eric W. Stamber/
Supervisory Patent Examiner, Art Unit 3622